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16 **IN THE SUPERIOR COURT**
17 **OF THE**
18 **COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS**

19 **BOARD OF THE MARIANAS PUBLIC**
20 **LANDS AUTHORITY AND MARIANAS**
21 **PUBLIC LANDS AUTHORITY, for themselves**
22 **and on behalf of the Northern Marianas Descent,**

23 **Plaintiffs,**

24 **vs.**

25 **MICRONESIAN TELECOMMUNICATIONS**
26 **CORPORATION, PACIFIC TELECOM, INC.,**
27 **AND DOES 1-5,**

28 **Defendants.**

CIVIL ACTION NO. 05-03930

**EXHIBITS TO THE VERIFIED
COMPLAINT AND DEMAND FOR
JURY TRIAL**

EXHIBIT A

Susupe Lease

Filed: Lease Agreement No. 873 OK 1
 Page 31 of 31 July 3, 1980
Margarita Q. Benard
 Clerk of Courts
 Northern Mariana Islands

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
 SAIPAN, MARIANA ISLANDS

LEASE AGREEMENT

THIS LEASE AGREEMENT, made this 15th day of JULY, 1980, on Saipan, Northern Mariana Islands, by and between the MARIANAS PUBLIC LAND CORPORATION, its successors and assigns, hereinafter called the "CORPORATION", whose offices are located at the Nauru Building, Saipan, Northern Mariana Islands, and MICRONESIAN TELECOMMUNICATIONS CORPORATION, a Commonwealth of the Northern Mariana Islands Corporation of Saipan, Northern Mariana Islands, its successors and assigns, hereinafter called "LESSEE" without regards to number and gender.

WITNESSETH THAT:

WHEREAS, the Lessee desires to lease a certain parcel of public land owned by the Government of the Commonwealth of the Northern Mariana Islands for the purpose of constructing and operating a satellite earth station and related facilities; and

WHEREAS, the Corporation, which has the authority under the Northern Mariana Islands Constitution regarding the management and disposition of public lands, desires to encourage the improvement of tele-communications facilities within the Commonwealth which would be beneficial for the people of the Commonwealth.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

ARTICLE 1. GRANT OF PREMISES

The Corporation hereby leases to the Lessee and the Lessee hereby takes from the Corporation the following

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described real property, to wit: Tract No. 22913 owned by the Government of the Commonwealth of the Northern Mariana Islands, and which lies and is situated at Susupe, Saipan, Northern Mariana Islands, and survey-described as follows:

Beginning at a point, designated as Corner No. 1, having plane grid coordinates of 49,071.89 meters north by 49,790.49 meters east on the Mariana Islands Plane Coordinate System of 1966;

Thence N 53° 10' 06" W, a distance of 61.18 meters to Corner No. 2;

Thence N 31° 53' 07" E, a distance of 93.80 meters to Corner No. 3;

Thence S 53° 28' 10" E, a distance of 61.16 meters to Corner No. 4;

Thence S 31° 53' 07" W, a distance of 94.12 meters to Corner No. 1, being the place of beginning;

containing an area of 5,728.00 square meters, more or less;

All as more particularly shown on Division of Lands and Surveys Survey Plat No. 2154/79, a portion of which is attached hereto, labelled "Exhibit A", and incorporated herein by this reference.

ARTICLE 2. PURPOSE

The Premises are leased and shall be used, unless otherwise expressly consented to by the Corporation in writing, solely for the purpose of constructing, operating, and maintaining a satellite earth station and related facilities.

Nothing in this Article shall be construed as relieving the Lessee, its successors and assigns, from the duty of conforming to or complying with all laws, regulations, or ordinances applicable in the Northern Mariana Islands, whether federal or local.

ARTICLE 3. RENTAL

The Lessee, in consideration of the foregoing, covenants

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1 and agrees to pay to the Corporation, in the manner prescribed
2 herein, in lawful money of the United States of America, the
3 following rental:

4 A. Rental

- 5 1. For the first five (5) years of the leasehold
6 period, the Lessee shall pay the Corporation,
7 or its successors and assigns, a monthly
8 rental of Four Hundred and Fifty Dollars
9 (\$450.00), in lawful U.S. currency, payable on
10 a quarterly basis on or before the 1st day of
11 each calendar quarter.
12 2. For every succeeding five-year period thereafter,
13 the monthly rental shall be adjusted and
14 increased in accordance with the prevailing
15 inflationary index in effect at the end of the
16 preceding five-year period. The index to be
17 used will be that published monthly by the
18 U.S. Department of Commerce technically referred
19 to as the implicit price deflator. In no
20 event shall the monthly rental be lower than
21 \$450.00 per month.
22 3. If this lease becomes effective after the
23 beginning of a calendar quarter, the quarterly
24 rental payment shall be accordingly adjusted
25 pro-rata by the number of days remaining that
26 quarter, and payment of such amount shall be
27 due on the effective date of the lease. The
28 effective date of this lease shall be the date
29 the lease is executed by the parties hereto.

30 B. Manner of Payment. The Lessee shall discharge its
31 obligation of payment under this Article by depositing the
32 payments required under this Article with the Corporation at

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1 its offices, located at P. O. Box 380, Nauru Building,
2 Saipan, Mariana Islands, or in such other manner as the
3 Corporation may from time to time designate in writing. The
4 rent shall be made payable to the Marianas Public Land
5 Corporation, unless otherwise specified.

6 C. Time Payment; Interest. All rents payable pursuant
7 to the terms of this Lease Agreement shall be paid without
8 prior notice or demand. Past due rental shall bear interest
9 at eight percent (8%) per annum from the date it becomes due
10 until paid, but this provision shall not be construed to
11 relieve the Lessee from any default in making any rental
12 payment at the time and in the manner herein specified.

13 ARTICLE 4. TERM OF LEASE

14 The term of this lease shall be for a period of fifteen
15 (15) years, unless sooner terminated pursuant to the applicable
16 provisions of this lease or by mutual consent of the parties.
17 The Lessee shall have a right of option to extend for an
18 additional five (5) year period, exercisable and valid if and
19 only if the Lessee's franchise agreement with the Northern
20 Marianas Government to provide telecommunication services for
21 the Northern Mariana Islands, as entered into on October 22,
22 1976, and amended May 1, 1979, is hereinafter extended beyond
23 October 22, 1996 for a period of not less than five (5)
24 years; and provided further, that the Lessee shall give the
25 Corporation at least 90 days' written notice in advance of
26 the expiration date of the leasehold period of Lessee's
27 intention to exercise the option.

28 ARTICLE 5. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

29 All improvements placed on the Premises shall be constructed
30 in a good and workmanlike manner and in compliance with
31 applicable laws, regulations, ordinances, and building codes.
32 The Lessee shall, at all times during the term of this Lease

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1 Agreement and at the Lessee's sole cost and expense, maintain
2 the Premises and all improvements thereon in good order and
3 repair and in a neat, and sanitary condition. Unless the same
4 are to be promptly replaced with improvements having at least
5 an equal value, no removal or demolition of improvement
6 having a value in excess of Twenty-Five Thousand Dollars
7 (\$25,000) shall take place without the prior written notice to
8 the Corporation. The Lessee shall indemnify and hold harmless
9 the Corporation against liability for all claims arising from
10 the Lessee's failure to maintain the Premises and the improve-
11 ments situated thereon as hereinabove provided, or from the
12 Lessee's violation of any law, ordinance, or regulation appli-
13 cable thereto.

14 ARTICLE 6. COMMENCEMENT AND COMPLETION

15 No later than six (6) months after the execution of this
16 Lease Agreement, the Lessee shall begin the construction of
17 the improvements as shown in the drawings, designs, and speci-
18 fications of the Earth Station facilities on the demised premises.
19 Such drawings, designs, and specifications shall be furnished
20 to the Corporation within one month of the effective date of
21 this lease. Prior to the construction of any additional improve-
22 ments to the demised premises, Lessee shall submit plans and
23 specifications therefor to the Corporation. All plans and
24 specifications for the construction of improvements to the
25 demised premises shall be subject to review and approval by the
26 Corporation within fourteen (14) days of receipt, to assure
27 workmanlike construction and compliance with applicable laws.
28 All necessary permits or certificates shall be obtained by the
29 Lessee from the appropriate governmental agencies prior to
30 construction of improvements. Lessee shall furnish to the
31 Corporation as-built drawings of all improvements constructed
32 by it upon the Premises.

ARTICLE 7. COVENANT TO MAINTAIN A CLEAN AND HEALTHFUL ENVIRONMENT

The Lessee agrees that it shall conduct its activities on the premises in a manner consistent with the constitutional provision requiring the maintenance of a clean and healthful environment and, to this extent, comply with applicable environmental laws and regulations. The Lessee agrees to obtain all necessary permits, approvals, consent, or certification needed from governmental agencies in order to conduct its operations within the confines of applicable laws and regulations. The Lessee agrees that it shall be strictly liable for any and all injuries to persons and property on the demised premises resulting from a violation of such laws and regulations, and agrees to hold the Corporation free and harmless therefor.

ARTICLE 8. SUBLEASE, ASSIGNMENT, TRANSFER

A. Sublease, Assignment, Transfer. The Lessee shall not sublease, assign, or transfer all or any part of its interest in this Lease Agreement or in or to the Premises or any portion thereof or any improvement thereon without the express prior written approval of the Corporation. Any sublease, assignment, or transfer made and approved shall be consistent with the purpose scope of this lease. The Lessee shall not grant subleases or otherwise contract for or permit any business or commercial enterprises or activities to be conducted or performed on the Premises by any person or entity other than the Lessee or its employees, without the express prior written approval of the Corporation. The Corporation shall have the right to review the commercial, business or economic consideration for any proposed subleases (such as, the personal or financial qualifications of the sublessee or the feasibility of the sublease). Prior approval of the Corporation shall also be required for the grant of a sublease, assignment, transfer, or permit to a Northern Marianas citizen or to a Northern Marianas corporation wholly owned by citizens of the Northern Mariana Islands. No sublease,

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1 assignment, transfer, or contract shall be valid or binding
 2 without said approval, and then only upon the condition that
 3 the respective sublessee, assignee, transferee, permittee, or
 4 other contracting party shall agree in writing that in the
 5 event of conflict between the provisions of this Lease Agreement
 6 and of his respective sublease, assignment, transfer, or
 7 permit, the provisions of this Lease Agreement shall govern.
 8 Finally, it is hereby agreed that in the event of a sublease,
 9 assignment, or transfer of this lease agreement, the Corporation
 10 may at its sole option require as a condition for approval of
 11 the sublease, assignment, or transfer of this lease, a rene-
 12 gotiation of the existing rental provisions on mutually
 13 acceptable terms.

14 B. Each Approval Separate. The approval of one
 15 sublease, assignment or transfer, shall not validate a
 16 subsequent sublease, assignment or transfer and the res-
 17 trictions of this Article shall apply to each subsequent
 18 transaction and shall be severally binding upon each and
 19 every sublease, assignee, transferee, and other successor in
 20 interest of the Lessee.

21 ARTICLE 9. STATUS OF SUBLEASES

22 Termination of this Lease Agreement, in whole or in
 23 part, by cancellation or otherwise, may at the option of the
 24 Corporation terminate the subleases, or subtenancies, or may
 25 operate as an assignment to the Corporation of any and all
 26 such subleases, and subtenancies.

27 ARTICLE 10. AGREEMENTS FOR UTILITY LINES

28 The Lessee may enter into agreements with public utility
 29 companies or with the Government of the Northern Mariana
 30 Islands or any of its political subdivisions to provide
 31 utility services, including gas, water, electricity, telephone,
 32 television, and sewer lines necessary to the full enjoyment

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1 of the Premises and the development thereof in accordance
2 with the provisions of this Lease Agreement. The Lessee
3 shall furnish to the Corporation executed copies thereof
4 together with a plat or diagram showing the true location of
5 the utility lines to be constructed in accordance therewith.

6 ARTICLE 11. RIGHTS OF WAY FOR STREETS AND UTILITY LINES

7 The Corporation hereby agrees to give necessary rights
8 of way on public lands when feasible, for streets, utility
9 lines, and pipelines, necessary to the full enjoyment of the
10 Premises and the full development thereof. Such rights of
11 way are to be granted by the Corporation in accordance with
12 the approved physical development master plan of the Corporation.
13 The Corporation, on behalf of the Government of the Commonwealth
14 of the Northern Mariana Islands, reserves easement rights on
15 the Premises during the term of this lease to construct, when
16 necessary, power and water lines and pipes, as well as necessary
17 access roads; provided, however, that the easement rights
18 herein reserved shall not materially interfere with Lessee's
19 right to use and enjoy the demised Premises for the purposes
20 as demised. The existing roads running through a portion of
21 the demised premises shall continue to be used by the general
22 public, until after such roadways shall have been hereafter
23 realigned to the boundary of the demised premises.

24 ARTICLE 12. RIGHT OF MORTGAGE

25 The Lessee, its successors and assigns may, subject to
26 the express prior written approval of the Corporation,
27 mortgage this Lease Agreement and the Lessee's interest
28 hereunder, provided that no holder of any mortgage of this
29 Lease Agreement or the Lessee's interest hereunder, or any
30 one claiming by, through or under any such mortgage shall, by
31 virtue thereof, except as provided in Article 13 hereof,
32 acquire any greater rights hereunder than the Lessee, and no

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1 mortgage of this Lease Agreement or the Lessee's interest
2 hereunder, in whole or in part, by the Lessee or the Lessee's
3 successors or assigns shall be valid, unless: (i) at the
4 time of the making of such mortgage, there shall be no default
5 under any of the agreements, terms, covenants and conditions
6 to be performed by the Lessee under this lease; (ii) such
7 mortgage shall be subject to all of the agreements, terms,
8 covenants and conditions of this Lease Agreement, (iii) any
9 such mortgage shall reserve to the Corporation prior right,
10 in the event of Lessee's default under the same and after
11 notice of the same character and duration as required to be
12 given to Lessee, to correct the default or to purchase the
13 same and terminate this Lease Agreement; and (iv) such
14 mortgage shall contain the following provisions:

15 "This instrument is executed upon condition
16 that (unless this condition be released or
17 waived by the Corporation or its successors
18 in interest by an instrument in writing) no
19 purchaser or transferee of said Lease
20 Agreement at any foreclosure sale hereunder,
21 or other transfer authorized by law by
22 reason of a default hereunder where no
23 foreclosure sale is required, shall, as a
24 result of such sale or transfer, acquire
25 any right, title or interest in or to said
26 Lease Agreement or the leasehold estate
27 hereby mortgaged unless (i) the Corporation
28 shall receive written notice of such sale
29 or transfer of said Lease Agreement within
30 fifteen (15) days after the effective date
31 of such sale or transfer and (ii) a duplicate
32 original copy of the instrument or instruments

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1 used to effect such sale or transfer shall
2 be delivered to the Corporation within
3 thirty (30) days after the execution and
4 delivery thereof."

5 Any mortgage entered into shall be in strict compliance
6 with all applicable laws and regulations, including mortgage
7 security instrument laws, or applicable constitutional
8 provisions, in order to be valid and enforceable.

9 ARTICLE 13. RIGHTS OF LEASEHOLD MORTGAGEES

10 If the Lessee or the Lessee's successors or assigns
11 shall mortgage this Lease Agreement or its interest in the
12 Premises, in accordance with the provisions of this Lease
13 Agreement, then so long as any such leasehold mortgage, as
14 hereinafter defined, shall remain unsatisfied of record, the
15 following provisions shall apply:

16 A. Notice to Mortgagee. The Corporation shall serve
17 upon the Lessee any notice of default pursuant to the provisions
18 of Article 21 or any other notice under the provisions of or
19 with respect to this Lease Agreement. The Lessee shall
20 thereafter serve a copy of such notice upon the holder of the
21 then existing mortgage of this Lease Agreement or the Premises.
22 Service of such notice of default upon the Lessee shall be
23 deemed as service on the mortgagee who shall thereafter have
24 the same period as the Lessee for remedying the default or
25 causing the same to be remedied, as is given the Lessee after
26 service of such notice upon it.

27 B. Remedy. Such leasehold mortgagee of this Lease
28 Agreement or the Premises, in case the Lessee shall be in
29 default hereunder, shall, within the period and otherwise as
30 herein provided, have the right to remedy such default, or
31 cause the same to be remedied, and the Corporation shall
32 accept such performance by or at the instigation of such

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1 leasehold mortgagee as if the same had been performed by the
 2 Lessee.

3 C. Diligent Prosecution. No default on the part of
 4 Lessee in the performance of work required to be performed,
 5 or acts to be done, or conditions to be remedied, shall be
 6 deemed to exist, if steps shall, in good faith, have been
 7 commenced promptly to rectify the same and shall be prosecuted
 8 to completion with diligence and continuity in accordance
 9 with Article 22, on "Default", unless otherwise specified in
 10 this Lease Agreement.

11 D. Termination. Anything herein contained notwith-
 12 standing, while such leasehold mortgage remains unsatisfied
 13 of record, if any event or events shall occur which shall
 14 entitle the Corporation to terminate this Lease Agreement,
 15 and if before the expiration of ninety (90) days after the
 16 date of service of notice of termination by the Corporation
 17 all rent and other payments herein provided for then in
 18 default is fully paid, and shall have complied or shall be
 19 engaged in the work of complying with all the other requirements
 20 of this Lease Agreement, if any, then in default, then in
 21 such event the Corporation shall not be entitled to terminate
 22 this Lease Agreement and any notice of termination theretofore
 23 given shall be void and of no force or effect, provided,
 24 however, nothing herein contained shall in any way affect,
 25 diminish or impair the right of Corporation to terminate this
 26 Lease Agreement or to enforce any other remedy upon the
 27 nonpayment of any sum thereafter payable by the Lessee or
 28 upon any other subsequent default in the performance of any
 29 of the obligations of the Lessee hereunder.

30 E. Notice of Termination. In the event of the termina-
 31 tion of this Lease Agreement prior to the natural expiration
 32 of the term hereof, whether by summary proceedings to disposes,

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1 service of notice to terminate or otherwise, due to default
2 of the Lessee as provided in Article 21 hereof, or any other
3 default of the Lessee, the Corporation shall serve upon the
4 holder of the then existing mortgage on this Lease Agreement
5 or the Premises written notice of such termination. Nothing
6 herein contained shall release the Lessee from any of its
7 obligations under this Lease Agreement which may not have
8 been discharged or fully performed by any mortgagee of this
9 Lease Agreement or the Premises, or its designee.

10 F. First Mortgage Only. Whenever reference is made
11 herein to the holder of the mortgage on this Lease Agreement
12 or the Premises, the same shall be deemed to refer only to
13 the holder of the first mortgage on this Lease Agreement or
14 the Premises, if any, as shown by last notice by registered
15 mail given to the Corporation. Any notice or other communication
16 to any such holder or mortgagee shall be in writing and shall
17 be served either personally or by certified or registered
18 airmail addressed to such holder or mortgagee at his address
19 appearing on such records or at such other address as may
20 have been designated by notice in writing from such holder or
21 mortgagee to the party serving such notice or communications.
22 Nothing contained in this Article shall be construed so as to
23 require the Corporation to serve notices upon or recognize
24 any leasehold mortgagees other than the holder of such first
25 mortgage on this Lease Agreement or the Premises, as aforesaid.

26 ARTICLE 14. LIENS, TAXES, ASSESSMENTS, UTILITY CHARGES

27 The Lessee shall not permit to be enforced against the
28 Premises, or any part thereof, any liens arising from any
29 work performed, materials furnished or obligations incurred
30 by the Lessee or its sublessees and the Lessee shall discharge
31 or post bond against all such liens before any action is
32 brought to enforce same. The Lessee shall pay, when and as

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1 the same become due and payable, all taxes, assessments,
2 licenses, fees, utility charges, and other like charges
3 levied during the term of this Lease Agreement upon or
4 against the Premises, any interest therein or property
5 thereon for which the Lessee, or the Corporation may become
6 liable. Upon written request the Lessee shall furnish to the
7 Corporation written evidence, duly certified, that any and
8 all taxes and other charges required to be paid by the Lessee
9 or its sublessees have been paid, satisfied, or otherwise
10 discharged. The Lessee shall have the right to contest any
11 claim, tax, or assessment against the Premises by posting
12 bond to prevent enforcement of any lien resulting therefrom.
13 The Lessee agrees to protect and hold harmless the Corporation
14 and the Premises and all interest therein and improvements
15 thereon from any and all claims, taxes, assessments, and like
16 charges and from any lien therefore or sale or other proceedings
17 to enforce payment thereof, and all costs in connection
18 therewith. The Lessee shall pay all charges for water,
19 sewage, gas, electricity, telephone and other utility services
20 supplied to the Premises as they become due.

21 ARTICLE 15. PUBLIC LIABILITY INSURANCE AND INDEMNIFICATION

22 At all times during the term of this Lease Agreement,
23 the Lessee shall at its expense carry a public liability
24 insurance policy in the amount of not less than One Hundred
25 Thousand Dollars (\$100,000.00) per person and Two Hundred
26 Thousand Dollars (\$200,000.00) per incident or accident for
27 personal injury and One Hundred Thousand Dollars (\$100,000.00)
28 for property damage arising from any use of the Premises or
29 of any improvement thereon, which policy shall be written
30 jointly to protect the Lessee and the Corporation. The
31 policy shall contain a clause requiring that the Corporation
32 be given thirty (30) days' notice prior to any cancellation

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1 or termination of the policy. A copy of such policy or
2 policies or an acceptable certificate shall be obtained by
3 Lessee and be furnished to the Corporation within three (3)
4 months of the effective date of this lease.

5 Neither the Corporation, nor its officers, agents,
6 employees, or the Government of the Commonwealth of the
7 Northern Mariana Islands shall be liable for any loss,
8 damage, or injury of any kind whatsoever to the person or
9 property of the Lessee or sublessees or any other person
10 whomsoever, caused by any use of the Premises, or by any
11 defect in any structure erected thereon, or arising from any
12 accident, fire, or other casualty on the Premises or from any
13 other cause whatsoever; the Lessee agrees to hold the Corporation,
14 its successors and assigns, free and harmless from any and
15 all liability for all claims for any loss, damage, injury, or
16 death arising from the use of the Premises by Lessee or its
17 sublessees, together with all costs and expenses in connection
18 therewith.

19 ARTICLE 16. FIRE AND DAMAGE INSURANCE

20 The Lessee shall, from the effective date of this Lease
21 Agreement, carry fire and damage insurance with extended
22 coverage endorsements, jointly in the names of the Lessee and
23 the Corporation, covering the full insurable value of all
24 permanent improvements on the Premises, subject to appropriate
25 co-insurance provisions. The policy shall contain a clause
26 requiring that the Corporation be given thirty (30) days'
27 notice prior to any cancellation or termination of the policy.
28 A copy of such policy or policies or an acceptable certificate
29 shall be deposited with the Corporation within thirty (30)
30 days of the same being obtained by the Lessee. The Lessee
31 shall pay all premiums and other charges payable in connection
32 with insurance carried by the Lessee.

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1 In the event of damage to any permanent improvement on
2 the Premises, the Lessee shall reconstruct such improvement
3 in compliance with applicable laws, ordinances, and regulations
4 and in accordance with the applicable provisions of this
5 Lease Agreement. Such reconstruction shall commence within
6 six (6) months after the damage occurs and shall be pursued
7 diligently and completed within one (1) year of the occurrence.

8 In the event of damage to the extent of seventy-five
9 percent (75%) or more of the total value of all permanent
10 improvements on the Premises during the last five (5) years
11 of the renewal period of this Lease Agreement, the Lessee for
12 ninety (90) days shall have the option to agree to reconstruct
13 the damaged improvement(s). Should the Lessee fail to notify
14 the Corporation in writing of the exercise of its option to
15 reconstruct within ninety (90) days of the occurrence of
16 damage, the Premises shall be cleared at the Lessee's expense
17 and upon completion of such clearing this Lease Agreement
18 shall terminate. All insurance proceeds accruing as a result
19 of the fire or damage, it is jointly agreed hereto, shall be
20 for the sole benefit of and made payable to the Corporation,
21 or its lawful successors and assigns. Any damages incurred
22 or suffered by any sublessee, assignee, mortgagee or otherwise
23 as a result of such termination shall be borne solely by the
24 Lessee.

25 ARTICLE 17. IMPROVEMENTS

26 All improvements, personal property, fixtures, and trade
27 fixtures constructed, erected, or installed on the demised
28 Premises during the term hereof and any extension thereof
29 shall be and remain the property of the Lessee, free and
30 clear of all liens, and encumbrances. Upon expiration or
31 earlier termination of this lease, or any renewal thereof,
32 all buildings and permanent improvements shall belong to the

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1 Corporation, or its successors and assigns. It is specifi-
2 cally understood and agreed that any Earth Station and
3 related equipment to be constructed or installed upon the
4 Premises is not and shall not be deemed a permanent improvement,
5 and shall be and remain the personal property of Lessee or
6 any other person with whom Lessee may contract for the
7 construction, installment, and use of such Earth Station and
8 related equipment. The Lessee, shall within the three (3)
9 months of such expiration or termination, remove all non-
10 permanent improvements, personal property, fixtures, and
11 trade fixtures from the demised Premises; and for that
12 purpose, Lessor agrees that Lessee, and its agents, employees,
13 successors, and assigns, shall within such three-month period
14 have easements satisfactory to Lessee for ingress and egress
15 to and from the demised Premises.

16 ARTICLE 18. UNLAWFUL USE

17 The Lessee covenants and agrees not to use or cause or
18 permit to be used any part of the Premises for any unlawful
19 conduct or purpose.

20 ARTICLE 19. CONDEMNATION

21 If at any time during the term hereof the whole of the
22 Premises shall be taken for any public or quasi-public use,
23 under any statute, or by right of eminent domain, then, in
24 such event, when possession of the Premises shall have been
25 taken thereunder by the condemning authority, the term hereby
26 granted, and all rights of the Lessee hereunder, shall immediately
27 cease and terminate, and the rent shall be ratably abated as
28 of the date of such termination and any excess rental theretofore
29 paid by the Lessee to the Corporation shall be refunded by
30 the Corporation. In such event, the Lessee shall be entitled
31 to interpose and prosecute in any condemnation proceedings, a
32 claim for the value of the Lessee's remaining leasehold

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1 interest in the Premises and the value of the improvements
2 situated thereon. The Corporation shall in any event,
3 however, be entitled to receive the award for the full value
4 of its remainder in the Premises plus its proportionate share
5 in the value of the improvements. If only a part of the
6 Premises shall be so taken or condemned, the award shall be
7 distributed in the same manner, and this Lease Agreement
8 shall not cease and terminate but shall, as to the portion of
9 the Premises not taken or condemned, continue in full force
10 and effect except that the minimum rental shall be, as of the
11 date of such taking, reduced ratably in proportion to the
12 extent the Premises is so condemned and taken; provided,
13 however, in the event such partial condemnation or taking, in
14 Lessee's sole opinion, shall decrease the Premises or the
15 improvements thereon to an extent materially affecting the
16 Lessee's use of the Premises and the improvements thereon and
17 the business of the Lessee conducted in connection therewith,
18 then, the Lessee may elect to cancel and terminate this Lease
19 Agreement as of the date possession of that part of the
20 Premises so condemned shall have been taken, which election
21 shall be made within sixty (60) days from the date of such
22 taking of possession by giving notice to the Corporation. In
23 the event this Lease Agreement is cancelled and terminated by
24 the Lessee as herein provided, the rent shall be ratably
25 abated as of the date of such cancellation and termination
26 and any excess rental theretofore paid by the Lessee to the
27 Corporation shall be refunded by the Corporation.

28 ARTICLE 20. ARBITRATION

29 Any dispute arising under this Lease Agreement which
30 cannot be settled by mutual agreement of the parties within
31 sixty (60) days after either party formally requests such a
32 settlement may be referred by either party to an Arbitration

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Board whose majority decision shall be binding on all parties to this Lease Agreement. The Arbitration Board shall consist of three persons: One member to be selected by the Lessee on its own initiative or within twenty (20) days of a request by the Corporation to select a member; one member to be selected by the Corporation on its own initiative or within twenty (20) days of a request by the Lessee to select a member; and the third to be selected by the other two members. If the two members selected by the Lessee and the Corporation are unable to agree upon a third member within twenty (20) days after selection of the second member has been made, the Chief Judge of the Commonwealth Trial Court for the Northern Marianas shall select the third member. The costs of such Arbitration Board shall be shared equally by the Lessee and the Corporation, and, except as hereinabove provided, the arbitration proceedings shall be conducted in accordance with, and the Arbitration Board shall be governed by then current rules of the American Arbitration Association.

ARTICLE 21. DEFAULT

If any of the following events shall occur:

- a) If any voluntary or involuntary petition in bankruptcy or insolvency, or any assignment for the benefit of creditors or a receiver shall be made, filed or appointed by or against the Lessee, or if the Lessee's leasehold interest in the Premises shall be levied upon under execution or attachment by any process at law or in equity;
- b) if the Lessee shall abandon the Premises;
- c) if the Lessee shall default in the prompt payment to the Corporation of rent reserved hereunder, and such default shall continue for a period of thirty (30) days after notice of such default is given by

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1 the Corporation to the Lessee; or,
2 d) if the Lessee shall default in the prompt and full
3 performance of any other term, covenant or condition
4 of this Lease Agreement, and such default shall
5 continue for a period of sixty (60) days after
6 notice of such default is given by the Corporation
7 to the Lessee, unless the default is of such a
8 nature that the same cannot be cured or corrected
9 within said sixty (60) days' period and the Lessee
10 shall have promptly and diligently commenced to
11 cure and correct such default and shall have
12 thereafter continued therewith with reasonable
13 diligence and in good faith, in a manner so as to
14 cure and correct the same as promptly as reasonably
15 practicable under the circumstances, and shall,
16 have continued therewith until the default shall
17 have been cured and correct;

18 then, and in any such event, the Corporation may exercise any
19 of the following remedies or any other remedy available to
20 the Corporation at law or in equity, and all such remedies
21 shall be cumulative and non-exclusive of any one or more such
22 remedies, and the exercise of one remedy shall not be deemed
23 to be an exclusive election of the remedy or remedies exercised
24 or a waiver of the remedies not exercised:

- 25 1. Collect, by suit or otherwise, all monies as they
26 become due hereunder, or enforce, by suit or
27 otherwise, the Lessee's compliance with any provision
28 of this Lease Agreement;
- 29 2. Re-enter the Premises and remove all persons and
30 property therefrom, and relet the Premises without
31 terminating this Lease Agreement, as the agent and
32 for the account of the Lessee, but without prejudice

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1 to the right to terminate this Lease Agreement
2 thereafter, and without invalidating any right of
3 the Corporation or any obligation of the Lessee
4 hereunder. Terms and conditions of such reletting
5 shall be at the discretion of the Corporation
6 which shall have the right to alter and repair the
7 Premises as it deems advisable, and to relet with
8 or without any equipment or fixtures situated
9 thereon. Rents from any such reletting shall be
10 applied first to the expenses of reletting, collecting,
11 altering, and repairing, including but not limited
12 to attorney's fees and any brokerage or agency
13 commissions actually paid, and thereafter toward
14 the payment of all amounts due to the Corporation.
15 If a sufficient sum is not thus realized to liquidate
16 the total amount due, the Lessee shall pay to the
17 Corporation monthly, when due, any deficiency, and
18 the Corporation may sue thereafter as each monthly
19 deficiency shall arise; and/or

20 3. Terminate this Lease Agreement at any time even
21 though the Corporation has exercised rights as
22 outlined in (1) and (2) above.

23 ARTICLE 22. ATTORNEY'S FEES

24 If any action be brought by either party to enforce
25 performance of any of the covenants and conditions of this
26 Lease Agreement, the prevailing party shall be entitled to
27 recover reasonable Attorney's fees to be fixed by the Court
28 as part of the costs in any such action.

29 ARTICLE 23. HOLDING OVER

30 Holding over by the Lessee after the termination or
31 expiration of this Lease Agreement shall not constitute a
32 renewal or extension thereof or give the Lessee any rights

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1 hereunder or in or to the Premises, and such holding over
2 shall be construed as a tenancy at will; provided, that the
3 Lessee shall pay rental at double rate then applicable under
4 this Lease Agreement for any period of holding over.

5 The Corporation may at any time during any period of
6 holding over exercise the remedies specified in Article 22
7 above.

8 ARTICLE 24. NO PARTNERSHIP: OPERATION OF BUSINESS

9 Nothing contained in this Lease Agreement shall be
10 deemed or construed by the parties hereto, or by any third
11 persons, to create the relationship of principal and agent,
12 or a partnership, or a joint venture, or of any association
13 between the Corporation and the Lessee, and neither the
14 method of computation of rent nor any other provisions
15 contained in this Lease Agreement, nor any acts of the
16 parties hereto, shall be deemed to create any relationship
17 between the Corporation and the Lessee, other than the
18 relationship of lessor and lessee.

19 The Lessee shall, and all subleases shall, provide that
20 any sublessee shall, employ its best judgment, efforts and
21 abilities to provide the best practicable service, and to
22 enhance the reputation and attractiveness of the Premises and
23 the facilities thereon.

24 ARTICLE 25. PAYMENTS AND NOTICES

25 All notices, payments, and demands, except as otherwise
26 provided herein, shall be sent to the parties to this Lease
27 Agreement at the address stated in this Article. Notices and
28 demands shall be sent by registered mail. Service of any
29 notice or demand shall be deemed complete ten (10) days after
30 mailing or on the date actually received whichever occurs
31 first.
32

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1 FOR THE CORPORATION: Executive Director
2 Marianas Public Land Corporation
3 P. O. Box 380
4 Saipan, CM 96950

5 FOR THE LESSEE: Micronesian Telecommunications
6 Corporation
7 P. O. Box 306
8 Saipan, CM 96950

9 Either party may change its designated address or
10 representative by serving notice in writing on the other
11 party as provided above.

12 ARTICLE 26. COVENANT OF QUIET ENJOYMENT

13 The Corporation covenants that the Lessee, upon paying
14 the rent required herein and upon fulfilling all the conditions
15 and agreements required of the Lessee by this Lease Agreement,
16 shall and may lawfully, peacefully, and quietly have, hold,
17 use, occupy, possess, and enjoy the Premises during the term
18 agreed upon without any let, suit, hindrance, eviction,
19 ejection, molestation, or interruption whatsoever of or by
20 the Corporation in its role as Lessor, or by any other person
21 lawfully claiming, by, from, under, or against the Corporation.

22 ARTICLE 27. INSPECTION

23 The Corporation or its authorized representatives shall
24 have the right, at any reasonable times during the term of
25 this Lease Agreement, to enter upon the Premises, or any part
26 thereof, to inspect the same and all buildings and other
27 improvements erected and placed thereon. In addition, the
28 Corporation or the Public Auditor for the Commonwealth shall
29 have the right to inspect and examine the books, records, and
30 accounts of the Lessee or its sublessees, from time to time.

31 ARTICLE 28. DELIVERY OF PREMISES AND IMPROVEMENTS

32 Upon termination or expiration of this Lease Agreement,
the Lessee will peaceably and without legal process deliver
up the possession of the Premises, and all permanent improvements
thereon, in good condition, usual wear and tear and damage by

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1 Acts of God excepted.

2 ARTICLE 29. NON-DISCRIMINATION

3 Neither the Lessee nor its sublessees shall cause or
4 permit discrimination on the basis of race, creed, sex, or
5 national origin in the providing of services, the hiring or
6 promoting of employees, or the utilization of facilities on
7 the Premises.

8 ARTICLE 30. EMPLOYMENT OF CITIZENS OF THE NORTHERN MARIANA
9 ISLANDS

10 The Lessee agrees: (i) to employ and train citizens of
11 the Northern Mariana Islands to the maximum extent feasible
12 in all activities and enterprises conducted by it on the
13 Premises; and (ii) to include in all subleases agreements
14 covering the Premises a similar provision with respect to
15 employment and training of citizens of the Northern Mariana
16 Islands. The provisions of this Article 30 are subordinate
17 to the provisions of Article 29 above.

18 ARTICLE 31. WAGE RATES AND WORKMEN'S COMPENSATION

19 The Lessee and its sublessees shall at all times pay any
20 person employed by them on the Premises wages which are at
21 least equivalent to those paid for comparable work within the
22 Commonwealth, and in compliance with existing wage laws.

23 Until such time as a workmen's compensation statute is
24 enacted by law, and then with respect to any persons employed
25 on the Premises who may not be covered by such statute, the
26 Lessee, its sublessees and concessionaires, shall at their
27 own expense maintain a system of workmen's compensation for
28 all persons employed by any of them on the Premises which
29 shall be at least equivalent in coverage and benefits to that
30 provided by the Guam Workmen's Compensation Insurance Act.

31 ARTICLE 32. GENERAL PROVISIONS AND DEFINITIONS

32 A. Waiver. No waiver of any default of the Lessee

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1 hereunder shall be implied from any omission by the Corporation
2 to take any action on account of such default if such default
3 persists or is repeated, and no express waiver shall affect
4 the default other than the default specified in the express
5 waiver, and that only for the time and to the extent therein
6 stated. One or more waivers of any covenant, term or condition
7 of this Lease Agreement by the Corporation shall not be
8 construed as a waiver of any subsequent breach of the same
9 covenant, term of condition. The consent or approval by the
10 Corporation to or of any act by the Lessee requiring the
11 Corporation's consent or approval shall not be deemed to
12 waive or render unnecessary the Corporation's consent or
13 approval to or of any subsequent or similar acts by the
14 Lessee. Failure to obtain the express prior written consent
15 of the Corporation may, at the option of the Corporation,
16 terminate this lease.

17 B. Agreement Complete. It is hereby expressly agreed
18 that this Lease Agreement contains all of the terms, covenants,
19 conditions and agreements between the parties hereto relating
20 in any manner to the use and occupancy of the Premises, and
21 that the execution hereof has not been induced by either of
22 the parties by representations, promises or understandings
23 not expressed herein and that there are no collateral agreements,
24 stipulations, promises or understandings of any nature what-
25 soever between the parties hereto relating in any manner to
26 the use and occupancy of the Premises and none shall be valid
27 or of any force or effect, and that the terms, covenants,
28 conditions and provisions of this Lease Agreement cannot be
29 altered, changed, modified or added to except in writing
30 signed by the parties hereto.

31 C. Interpretation. The language in all parts of this
32 Lease Agreement shall be in all cases construed simply,

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1 according to its fair meaning, and not strictly for or
2 against the Corporation or the Lessee. Captions and paragraph
3 headings contained herein are for convenience and reference
4 only, and shall not be deemed to limit or in any manner
5 restrict the contents of the paragraph to which they relate.

6 D. Corporation Representative. The authorized repre-
7 sentative of the Corporation for the purposes of administration
8 of this Lease Agreement shall be the Executive Director of
9 the Corporation or his designated representative, as he may
10 designate in writing.

11 E. Condition of Premises. The Lessee acknowledges
12 that it has examined the Premises prior to the making of this
13 Lease Agreement and knows the conditions thereof and that no
14 representation other than those expressed herein have been
15 made by the Government and the Lessee hereby accepts the
16 Premises in their present condition at the date of execution
17 of this Lease Agreement.

18 F. Law Governing. This Lease Agreement shall be
19 governed by the applicable laws in the Northern Mariana
20 Island, both as to interpretation and performance.

21 G. Government Approval or Consent. Whenever under
22 this Lease Agreement the approval or consent of the Corporation
23 is required, the Corporation shall not unreasonably withhold
24 such approval or consent and shall, unless otherwise provided,
25 either approve or state its reasons for disapproval of the
26 same within thirty (30) days after such approval or consent
27 is requested.

28 ARTICLE 33. LEASE AGREEMENT BINDING

29 This Lease Agreement and the covenants, conditions and
30 restrictions hereof shall extend to and be binding upon the
31 successors and assigns of the parties hereto and to any other
32 person claiming to hold or to exercise any interest by, under

1 or through any of the parties hereto.

2 IN WITNESS WHEREOF, the parties hereto have hereunto set
3 their hands as of the day and year first written above.

4
5 MICRONESIAN TELECOMMUNICATIONS CORPORATION
6 (LESSEE)

MARIANAS PUBLIC LAND CORPORATION
(LESSOR)

7
8 By: William R. Smith
9 its duly authorized
10 representative

By: Antonio R. Sablan
Chairman
Board of Directors

11
12 Attested by: Pedro A. Tenorio
13 Executive Director
14 Marianas Public Land Corp.

15
16 * * * * *

17
18 COMMONWEALTH OF THE NORTHERN)
19 MARIANA ISLANDS)
20 SAIPAN, MARIANA ISLANDS)

21 Before me, the undersigned, a notary public, on this day
22 personally appeared William R. Smith, known
23 to me to be the person and officer whose name is subscribed
24 to the foregoing Lease Agreement of Micronesian Telecommuni-
25 cations Corporation, and he acknowledged to me that he executed
26 the same for the purposes and consideration therein expressed,
27 and as the act and deed of said lessee corporation.

28 GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24th
29 day of June, 1980.

30
31 Registered this 2nd day of July Manuel C. Villagomez
32 9:25 at 09:25 AM/PM as Document Notary Public
10333 at the Land Registry Commission 4/6/81

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Registrar